



Policy in Practice

Modelling council tax support
schemes: automation, banding,
generosity and beyond

Wednesday 27 March 2024

Housekeeping

- Audio check
- Please ask questions throughout
- Poll, download and a short survey
- Aim to finish by 11.45
- Slides and recording will automatically follow
- Connect with us on Twitter [@policy_practice](https://twitter.com/policy_practice) and LinkedIn (search policy-in-practice)



We empower people



Policy

Missing out: £19 billion of support is unclaimed each year

Practice

We close the unclaimed support gap with data

Agenda

- National context and challenges for Council Tax Reduction Schemes
- Council Tax Reduction Scheme trends and what we can learn from them
- A look at how Royal Borough of Greenwich is approaching its new CTR scheme
- How we model CTR schemes: A case study
- Questions and answers with our panel, including Zoe Charlesworth, Policy in Practice



Today's speakers



Janet Harkin
Chief Marketing Officer
Policy in Practice



Rachael Walker
Policy and Research Director
Policy in Practice



Corin Hammersley
Interim Head of Advice &
Benefits, Advice & Benefits
Service
Royal Borough of Greenwich



Izabel Bahia
Senior Data & Technical
Analyst
Policy in Practice



Rachael Walker

Policy in Practice



National context

- Local government struggling to balance the books
- 22% of people, and 29% of children, live in poverty (JRF, 2024)
- Council tax debt increased by £510m in 2022-23, up 10.3% on the previous year

- Localising CTR intended to incentivise local authorities to increase employment and provide support based on local need
- Revenue Support Grant reduction and absorption of subsidy means local authorities needed, **and still need**, to be creative to make the numbers add up
- CTR sits within, and interacts with, wider welfare reform
- The UC/CTR boundary is driving change for local schemes



CTR schemes 2024/25

- 62 of 350 (18%) CTR schemes will change in 2024/25
- 14 of 75 banded schemes (19%) are changing
- Number of banded schemes will increase by 20% in 2024/25

	2023/24	2024/25
Banded	75	90
Not banded	275	260
% banded	21.4%	25.7%



Poll: What would you like to achieve by changing your CTR scheme?



Last year's poll results said:

What do you want to achieve by changing your CTR scheme?

Poll Results:

Increase generosity	14%
Reduce admin costs	31%
Increase take up	20%
Maximise automation	22%
Not changing / not sure	14%



Corin Hammersley

Royal Borough of Greenwich



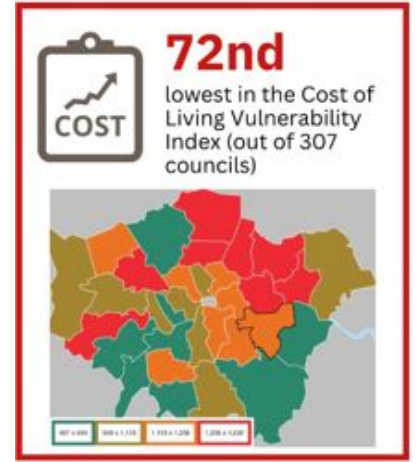
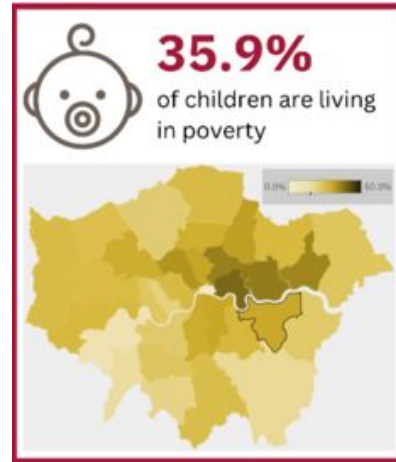
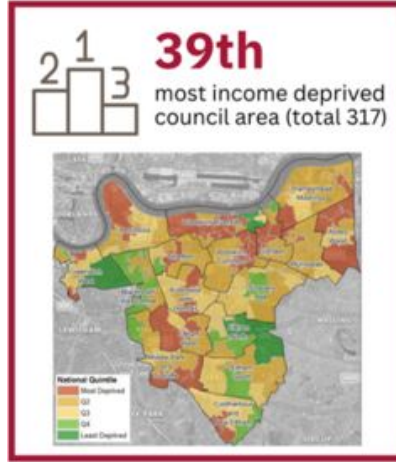
Council Tax Support in Greenwich

Corin Hammersley

Head of Advice & Benefits



Greenwich



Greenwich LCTS scheme background

- 2013 – 2020; Default scheme, maximum support 85%. No changes scheme made in this time.
- 2020; Scheme changed to increase maximum support back to 100%, some other changes including dropping good cause requirement for backdating.
- 2023; Scheme changed again to reduce earnings taper to 15%, and introduced a flat rate non-dependant deduction



Challenges

- Greenwich, like all local authorities, are facing significant financial challenges
- We expect administration pressures to increase to maintain current scheme
 - With UC managed migration during 2024, whilst most of the claims migrating are likely to retain some LCTS entitlement, the claim would be reviewed more often due to the UCDS data share with the DWP
 - Admin subsidy to process LCTS is now rolled into the Revenue Support Grant, so more difficult to identify/ring fence. Additionally, we expect the HB Benefit Admin subsidy to reduce from next year.



Areas we are currently exploring

- What would a banded scheme look like, with looking to replicate the level of support for residents?
- Are there any other changes we can make to our scheme to ease the administration burden?
 - Automation of new claims and/or automation of change in circumstances?
 - Limits on number of reassessments throughout the year?
- It may still be necessary to explore making savings in other ways, such as reviewing level of generosity of the scheme



Izabel Bahia

Policy in Practice



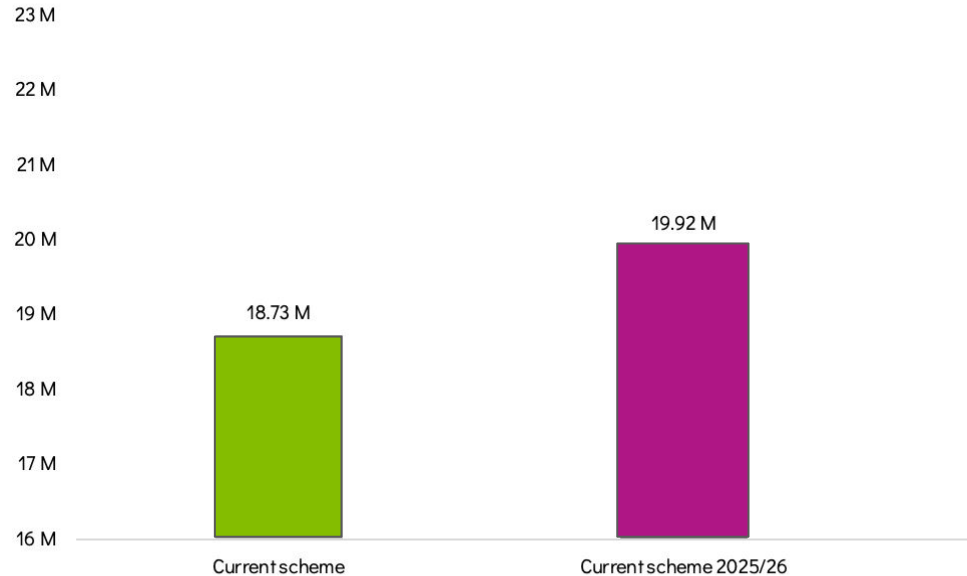
How we help you model your best CTR scheme

- Set your objectives:
 - Eg align the scheme with UC: reduce administrative costs, reduce complexity
- Understand your data
 - Rigorous process to 'match' your current scheme
- Uprating and policy changes
 - Benefits, wages and pensions uprated
 - Migration to UC according to DWP timetable
- We model
 - 3 schemes to meet your objectives
 - Iterative approach
 - Cost assessment and impact assessment
- Final report



Case study: From current scheme to uprated

- CTR awards will change
 - Working age average award increases from £22.55 to £23.78
 - Broken down by groups
- 'Uprated' scheme takes into account UC migration, uprating and increase in CTR liability
- No change means change



Case study: From default to a banded scheme

Objectives: balance costs and minimise impact on residents

Model 1:

- Reducing max award
- Earning only
- Couple addition £45
- Child/Children addition

Band	Discount	Single	Couple	Child	Children
1	75%	0-60	0-120	20	50
2	55%	60-100	120-145	20	50
3	35%	100-140	145-185	20	50
4	15%	140-180	185-225	20	50
5	5%	180-220	225-265	20	50



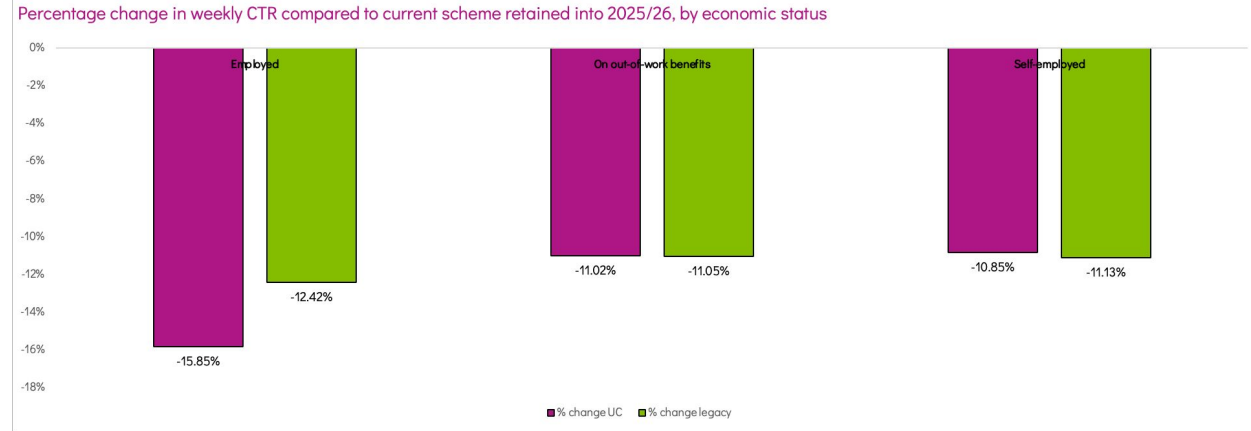
Case study: From default to a banded scheme

We model:

- Every household in your data

Impact assessment:

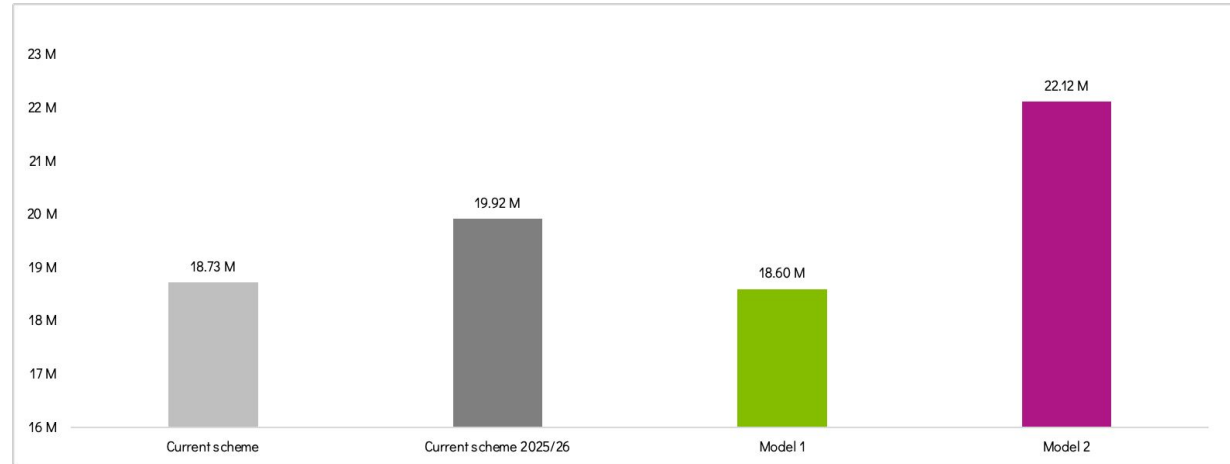
- Economic status
- Household type
- Barriers to work
- Better off/worse off groups



Case study: From default to a banded scheme (cont)

Cost assessment:

- Comparison to current updated
- Max award reduction decrease the overall cost for Model 1
- Model 2 maintains 100% protection but costs increase significantly



Modelling council tax support schemes for 2025/6

- Policy in Practice models and tracks 350 CTR schemes every year. We are seeing an increased focus on banded schemes, driven by Universal Credit and Managed Migration
- The move to Universal Credit and budget pressures have been drivers behind councils asking us to model CTR schemes
- Our modelling helps councils to understand the economic and social impact
- An evidence based approach is the best way to inform decision making



Panel discussion with speakers and Zoe Charlesworth



Next steps

Take our very short survey when the webinar ends to:

- Give us feedback and ask further questions of our speakers
- Book a chat with the team

Register for our next webinar:

- **Data driven success: From tackling homelessness to unlocking £1m income and recovering over £550k of debt on Wednesday 24 April**



Scan to book a chat



Thank you

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